

<b>UNITED STATES BANKRUPTCY COURT DISTRICT OF NEW JERSEY</b>	
<b>Caption in Compliance with D.N.J. LBR 9004-1(b)</b>	
<b>THOMPSON HINE LLP</b> Jeremy M. Campana, Esq. (NJ #031852000) 127 Public Square, Suite 3900 Cleveland, Ohio 44139 Telephone: (216) 566-5936 Email: jeremy.campana@thompsonhine.com  <i>Counsel for Creditor, InterDesign, Inc.</i>	
In re:	Chapter 11
BED BATH & BEYOND INC., <i>et al.</i> ,	Case No. 23-13359 (VFP)
Debtors.	(Jointly Administered)

**MOTION FOR ALLOWANCE OF GENERAL  
UNSECURED CLAIMS OF INTERDESIGN, INC.**

TO: HONORABLE VINCENT F. PAPALIA  
United States Bankruptcy Judge

InterDesign, Inc. (“InterDesign”), by and through its undersigned counsel, respectfully requests entry of an order allowing certain proofs of claim as more specifically set forth herein. In support of this motion (the “Motion”), InterDesign submits the Declaration of Jim Pacak attached hereto as Exhibit A (the “Pacak Declaration”) and filed contemporaneously herewith, and respectfully state as follows: InterDesign states the following:

**Jurisdiction and Venue**

1. The United States Bankruptcy Court for the District of New Jersey has jurisdiction over this matter pursuant to 28 U.S.C. sections 157 and 1334 and the Standing Order of Reference to the Bankruptcy Court under title 11, entered July 23, 1984, and amended on September 28th,

2012 (Simandle, C.J.). InterDesign confirms it consents to the Court entering a final order in connection with this Motion.

2. Venue is proper pursuant to 28 U.S.C. sections 1408 and 1409.

### **Background**

3. Prior to the April 23, 2023 (the “Petition Date”) bankruptcy filing of the Debtors in the above-captioned jointly administered cases, InterDesign supplied various home organizer and storage products to the Debtors on credit.

4. To protect against the credit risk the Debtors posed, on or about June 28, 2022, InterDesign entered into a Credit Protection Agreement (the “Agreement”) with Evolution Credit Opportunity Master Fund II-B, L.P. (“Evolution”).

5. The Agreement generally provides that in the event of a bankruptcy of certain Debtors, if other conditions in the Agreement are met, Evolution will pay InterDesign an agreed amount in exchange for assignment of its claims against the Debtors.

6. Said payment by Evolution is based on the amount of InterDesign’s claims that are scheduled as non-contingent, unliquidated, and undisputed. If any claims are disputed, contingent or unliquidated, or InterDesign disagrees with the scheduled amount, InterDesign shall have until October 2024 to have its claims set forth in amended schedules or allowed by a final order of the Bankruptcy Court.

7. The Debtors scheduled InterDesign’s claim against Liberty Procurement Co., Inc. (“Liberty”) in the amount of \$342,808.25 (schedule no. 5269458, the “Scheduled Amount”).

8. InterDesign disagreed with the Scheduled Amount and immediately alerted Debtors’ counsel in early June 2023 (within a week of the schedules being filed) that InterDesign was in fact owed approximately \$1.2 million, and not the Scheduled Amount.

9. The Debtors quickly recognized that Liberty owed InterDesign at least \$895,000, as opposed to the Scheduled Amount.

10. Thereafter, InterDesign timely filed proofs of claim and supporting statements and documentation against Debtors Bed Bath & Beyond Inc. and Liberty as set forth below (collectively, the “Claims”):

Claim No.	Date	Debtor	Amount
7187	6/30/2023	Bed Bath & Beyond Inc.	\$999,739.79
7206 <sup>1</sup>	6/30/2023	Liberty Procurement Co. Inc. (amended claim)	\$999,739.79
7247	6/30/2023	Liberty Procurement Co. Inc.	\$999,739.79
8522	07/01/23	Bed Bath & Beyond Inc.	\$243,356.67
8577	07/01/23	Liberty Procurement Co. Inc.	\$243,356.67

11. As described in the Claims, InterDesign is owed a total of \$1,243,096.46, but intends to transfer one claim in the amount of \$999,739.79 to Evolution and will retain the other claim for \$243,356.67. InterDesign understands that the duplicate and superseded claims will be disallowed, and such disallowance will be a part of the relief requested herein.

12. The Debtors later increased their estimate to \$941,000 but stated they cannot agree to the asserted amount of \$1,243,096.46 in the proofs of claim “absent further reconciliation.”<sup>2</sup> Unfortunately, after 6 months of steady communications, the Debtors did not complete their reconciliation of the Claims.

13. To resolve this matter efficiently, InterDesign prepared a proposed stipulated order allowing certain Claims, and disallowing others, a copy of which is attached hereto as Exhibit B.

<sup>1</sup> Claim 7206 was filed after and amends and supersedes claim 7247.

<sup>2</sup> Essentially the Debtors have yet to fully reviewed the detail supporting InterDesign’s claims.

14. The Debtors' Plan has since been confirmed (Doc. No. 2160) and a plan administrator is now in charge of the claim reconciliation process. InterDesign communicated with counsel for the plan administrator seeking to resolve this matter but has not received a response to date. InterDesign looks forward to resolving this matter with the plan administrator.

**Relief Requested**

15. Through this Motion, InterDesign seeks an order from this Court allowing claim no. 7206 in the amount of \$999,739.79 and claim no. 8577 in the amount of \$243,356.67 as general unsecured claims, as well as other ancillary relief described herein with respect to disallowance of certain Claims, modifying the claims register and changing payment addresses.

16. The following is a description of the claims proposed to be allowed (the "Allowed Claims"):

Claim No.	Date	Debtor	Amount
7206	6/30/2023	Liberty Procurement Co. Inc.	\$999,739.79
8577	07/01/23	Liberty Procurement Co. Inc.	\$243,356.67

17. InterDesign requests that the Allowed Claims not be subject to reduction, disallowance, setoff, recoupment, or any other reduction for any reason, including, but not limited to 11 U.S.C. Section 502(d).

18. In addition, the following Claims shall be disallowed and expunged in their entirety (the "Disallowed Claims") against the respective Debtors listed below:

Claim No.	Date	Debtor	Amount
7187	6/30/2023	Bed Bath & Beyond Inc.	\$999,739.79
7247	6/30/2023	Liberty Procurement Co. Inc.	\$999,739.79

8522	07/01/23	Bed Bath & Beyond Inc.	\$243,356.67
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19. InterDesign requests that the claims register in the Debtors' cases reflect the foregoing allowance and disallowance of the Claims. InterDesign submits that the Debtors, plan administrator and their agents should be authorized to take all actions necessary to effectuate such changes.

20. Notwithstanding the Distribution Record Date (as defined in the Debtors Amended Joint Chapter 11 Plan), all distributions on account of Claim No. 7206 shall be paid to Evolution and not InterDesign at the following address: Evolution Credit Opportunity Master Fund II-B, L.P., 28 State Street, 23<sup>rd</sup> Floor, Boston MA 02109, Attn: Aaron Zwibach.

21. The relief requested herein is necessary, well founded, and reasonable. Without such relief, InterDesign may be at risk for losing valuable compensation for its Claims. Prior to filing the Claims, InterDesign provided the Debtors with supporting documentation and offered open access to all supporting documents. As necessary, InterDesign will provide the plan administrator access to such documents as well.

22. After reconciliation to date, the Debtors agreed to approximately 76% of the Allowed Claims. With a modest amount of further reconciliation, the parties can agree on an amount for the proposed Allowed Claims.

23. InterDesign recognizes this is a large case and does not take the time of this Court and the professionals of the estates lightly—for that reason it sought for nearly six months to reach an agreement without Court intervention and prepared the attached stipulated order.

24. InterDesign hopes that with the filing of this Motion, the parties will agree to enter the attached stipulated order without the need for further Court intervention.

**WHEREFORE**, InterDesign respectfully requests that the Court (i) grant the Motion and allow claim no. 7206 in the amount of \$999,739.79 and claim no. 8577 in the amount of \$243,356.67 as general unsecured claims, not otherwise subject to reduction, (ii) order the claims register to be modified to reflect the Allowed and Disallowed Claims and updated payment addresses, and (iii) provide such other relief to InterDesign as is just and appropriate.

Dated: November 6, 2023

**THOMPSON HINE LLP**

/s/Jeremy M. Campana

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*Counsel for Creditor, InterDesign, Inc.*

<b>UNITED STATES BANKRUPTCY COURT DISTRICT OF NEW JERSEY</b>	
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In re:  BED BATH & BEYOND INC., <i>et al.</i> ,  Debtors.	Chapter 11  Case No. 23-13359 (VFP)  (Jointly Administered)  <b>Hearing Date and Time:</b>  <b>December 5, 2023, at 10 a.m. ET</b>  <b>ORAL ARGUMENT WAIVED UNLESS RESPONSES ARE TIMELY FILED</b>

**NOTICE OF MOTION FOR ALLOWANCE OF GENERAL  
UNSECURED CLAIMS OF INTERDESIGN, INC.**

**PLEASE TAKE NOTICE** that, a hearing on InterDesign, Inc.’s (“InterDesign”) *Motion for Allowance of General Unsecured Claims of InterDesign, Inc.* (the “Motion”) will be on **December 5, 2023 at 10 a.m. ET**, or as soon thereafter as counsel may be heard, before the Honorable Vincent F. Papalia, United States Bankruptcy Judge, in Courtroom 3B of the United States Bankruptcy Court for the District of New Jersey, 50 Walnut St., Newark, New Jersey 07102, to consider InterDesign’s request for entry of an order granting the relief requested in the Motion.

**PLEASE TAKE NOTICE** that, that the Motion and the Pacak Declaration (as defined in the Motion) filed contemporaneously herewith set forth the relevant legal and factual basis upon which the relief requested should be granted. A proposed Order granting the relief requested in the Motion is also submitted herewith.

**PLEASE TAKE NOTICE** that, responsive pleadings, if any, to the relief requested in the Motion shall: (i) be in writing, (ii) state with particularity the basis of the response, and (iii) be filed with the Clerk of the United States Bankruptcy Court for the District of New Jersey (the “Bankruptcy Court”) electronically by attorneys who regularly practice before the Bankruptcy Court in accordance with the General Order Regarding Electronic Means for Filing, Signing, and Verification of Documents dated March 27, 2002 (the “General Order”) and the Commentary Supplementing Administrative Procedures dated as of March 2004 (the “Supplemental Commentary”) (the General Order, Supplemental Commentary, and the User’s Manual for the Electronic Case Filing System can be found at [www.njb.uscourts.gov](http://www.njb.uscourts.gov), the official website for the Bankruptcy Court) and, by all other parties-in-interest, on CD-ROM in Portable Document Format (PDF), and shall be served in accordance with the General Order and the Supplemental Commentary, so as to be received no later than seven (7) days before the hearing date set forth above.

**PLEASE TAKE NOTICE** that, copies of all documents filed in these Chapter 11 cases may be obtained free of charge by visiting the website of Kroll Restructuring Administration, LLC at <https://restructuring.ra.kroll.com/bbby>. You may also obtain copies of any pleadings by visiting the Court’s website at <https://www.njb.uscourts.gov> in accordance with the procedures and fees set forth therein.



**PLEASE TAKE NOTICE** that, unless responses are timely and properly filed and served the Motion shall be decided on the papers in accordance with D.N.J. LBR 9013-3(d), and the relief requested may be granted without further notice or hearing.

Dated: November 6, 2023

**THOMPSON HINE LLP**

/s/Jeremy M. Campana

Jeremy M. Campana, Esq. (NJ #031852000)

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Cleveland, Ohio 44139

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Email:jeremy.campana@thompsonhine.com

*Counsel for Creditor, InterDesign, Inc.*

## **EXHIBIT A**

<b>UNITED STATES BANKRUPTCY COURT DISTRICT OF NEW JERSEY</b>	
<b>Caption in Compliance with D.N.J. LBR 9004-1(b)</b>	
<b>THOMPSON HINE LLP</b> Jeremy M. Campana, Esq. (NJ #031852000) 127 Public Square, Suite 3900 Cleveland, Ohio 44139 Telephone: (216) 566-5936 Email: jeremy.campana@thompsonhine.com  <i>Counsel for Creditor, InterDesign, Inc.</i>	
In re:	Chapter 11
BED BATH & BEYOND INC., <i>et al.</i>	Case No. 23-13359 (VFP)
Debtors.	(Jointly Administered)

**DECLARATION OF JIM PACAK IN SUPPORT OF MOTION FOR ALLOWANCE OF  
GENERAL UNSECURED CLAIMS OF INTERDESIGN, INC.**

I, JIM PACAK, hereby declare that the following is true and correct to the best of my knowledge, information, and belief:

1. I am the Chief Financial Officer of InterDesign, Inc. ("InterDesign"), a creditor in these proceedings.
2. I submit this Declaration in support of InterDesign's *Motion for Allowance of General Unsecured Claims of InterDesign, Inc.* (the "Motion").<sup>1</sup>
3. The Debtors scheduled InterDesign's claims against Liberty Procurement Co., Inc. ("Liberty") in the amount of \$342,808.25 (schedule no. 5269458, the "Scheduled Amount").

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<sup>1</sup> Unless otherwise defined herein, capitalized terms shall have the meanings as set forth in the Motion.

4. After the schedules were filed, the Debtors recognized that Liberty owed InterDesign *at least* \$895,000.00, as opposed to the Scheduled Amount.

5. InterDesign filed proofs of claim and supporting statements and documentation against Debtors Bed Bath & Beyond Inc. and Liberty.

6. As described in the Claims, InterDesign is owed a total of \$1,243,096.46.

7. The Claims are supported by over 5000 invoices. InterDesign provided detailed spreadsheets to the Debtors supporting the Claims and offered to make the invoices available.

8. The Debtors later increased their estimate to \$941,000, as opposed to the original Scheduled Amount. The Debtors stated they cannot agree to the asserted amount of \$1,243,096.46 “absent further reconciliation.”

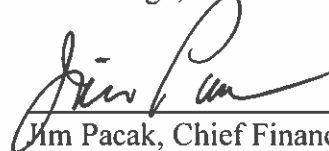
9. After nearly 6 months of steady communications, the Debtors did not complete the reconciliation of the Claims.

10. Due to requirements of InterDesign’s Credit Protection Agreement, InterDesign must have its Claims allowed by a final order or scheduled in an agreed amount as undisputed, liquidated and not contingent.

Pursuant to 28 U.S.C. section 1746, I declare under penalty of perjury that, to the best of my knowledge, information, and belief, and after reasonable inquiry, the foregoing is true and correct.

Dated: October 31, 2023

InterDesign, Inc

A handwritten signature in black ink, appearing to read "Jim Pacak", is written over a horizontal line.

Jim Pacak, Chief Financial Officer

## **EXHIBIT B**

<b>UNITED STATES BANKRUPTCY COURT DISTRICT OF NEW JERSEY</b>	
<b>Caption in Compliance with D.N.J. LBR 9004-1(b)</b>	
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In re:	Chapter 11
BED BATH & BEYOND INC., <i>et al.</i> ,	Case No. 23-13359 (VFP)
Debtors.	(Jointly Administered)

**STIPULATION AND AGREED ORDER FOR ALLOWANCE OF GENERAL  
UNSECURED CLAIMS OF INTERDESIGN, INC.**

The relief set forth on the following pages, numbered two (2) through four (4), is

**ORDERED.**

**DATED:** \_\_\_\_\_

\_\_\_\_\_  
**Honorable Vincent F. Papalia**  
**United States Bankruptcy Judge**

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Debtors: BED BATH & BEYOND INC., *et al.*  
Case No. 23-123359-VFP  
Caption of Order: STIPULATION AND AGREED ORDER FOR ALLOWANCE OF  
GENERAL UNSECURED CLAIMS OF INTERDESIGN, INC.

This Stipulation and Agreed Order (the “Stipulation”) is entered into between Michael Goldberg, as the duly appointed plan administrator (the “Plan Administrator”) and InterDesign, Inc. (“InterDesign,” and collectively with the Plan Administrator, the “Parties”), through their respective counsel, and the Parties hereby stipulate and agree as follows:

**WHEREAS**, InterDesign was a supplier of home storage and organizer products to certain of the Debtors in the above-captioned, jointly administered cases and timely filed the following Proofs of Claim (collectively, the “Claims”):

Claim No.	Date	Debtor	Amount
7187	6/30/2023	Bed Bath & Beyond Inc.	\$999,739.79
7206 <sup>1</sup>	6/30/2023	Liberty Procurement Co. Inc.	\$999,739.79
7247	6/30/2023	Liberty Procurement Co. Inc.	\$999,739.79
8522	07/01/23	Bed Bath & Beyond Inc.	\$243,356.67
8577	07/01/23	Liberty Procurement Co. Inc.	\$243,356.67

**WHEREAS**, InterDesign requested that the Plan Administrator review and stipulate to the allowance of Claims 7206 and 8577; and

**WHEREAS**, the Plan Administrator reviewed the Claims, the documents annexed thereto, and other evidence submitted by InterDesign in support thereof.

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<sup>1</sup> Claim 7206 was filed subsequent to and amends and supersedes claim 7247.

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Debtors: BED BATH & BEYOND INC., *et al.*  
Case No. 23-123359-VFP  
Caption of Order: STIPULATION AND AGREED ORDER FOR ALLOWANCE OF  
GENERAL UNSECURED CLAIMS OF INTERDESIGN, INC.

**NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED, AND UPON APPROVAL BY THE BANKRUPTCY COURT OF THIS STIPULATION, IT IS SO ORDERED** as follows:

1. The following Claims shall be allowed in their entirety as general unsecured claims against the Debtors listed below (the “Allowed Claims”):

Claim No.	Date	Debtor	Amount
7206	6/30/2023	Liberty Procurement Co. Inc.	\$999,739.79
8577	07/01/23	Liberty Procurement Co. Inc.	\$243,356.67

2. The Allowed Claims shall not be subject to reduction, disallowance, setoff, recoupment, or any other reduction for any reason, including, but not limited to 11 U.S.C. Section 502(d).

3. The following Claims shall be disallowed and expunged in their entirety against the respective Debtors listed below:

Claim No.	Date	Debtor	Amount
7187	6/30/2023	Bed Bath & Beyond Inc.	\$999,739.79
7247	6/30/2023	Liberty Procurement Co. Inc.	\$999,739.79
8522	07/01/23	Bed Bath & Beyond Inc.	\$243,356.67

4. The claims register in the Debtors’ cases shall reflect the foregoing allowance and disallowance of the Claims. The Plan Administrator and his agents and any third parties are authorized and shall take all actions necessary to effectuate the relief provided by this Stipulation.



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Debtors: BED BATH & BEYOND INC., *et al.*  
Case No. 23-123359-VFP  
Caption of Order: STIPULATION AND AGREED ORDER FOR ALLOWANCE OF  
GENERAL UNSECURED CLAIMS OF INTERDESIGN, INC.

5. Notwithstanding the Distribution Record Date (as defined in the Debtors Amended Joint Chapter 11 Plan), all distributions on account of Claim No. 7206 shall be paid to Evolution and not InterDesign at the following address: Evolution Credit Opportunity Master Fund II-B, L.P., 28 State Street, 23<sup>rd</sup> Floor, Boston MA 02109, Attn: Aaron Zwibach.

6. This Stipulation shall be binding upon and inure to the benefit of the Parties' successors, agents, assigns, including any bankruptcy trustees and estate representatives.

7. Each of the Parties hereto represents and warrants it is duly authorized to enter into and be bound by this Stipulation.

8. The terms and conditions of this Stipulation shall be immediately effective and enforceable upon its entry.

9. This Stipulation shall not be modified, altered, amended or vacated without the written consent of all Parties or by further order of the Bankruptcy Court.

10. The Bankruptcy Court retains exclusive jurisdiction to resolve any dispute arising from or related to the interpretation or enforcement of this Stipulation and Agreed Order.

Dated: \_\_\_\_\_, 2023

Dated: November 6, 2023

**PACHULSKI STANG ZIEHL & JONES  
LLP**

**THOMPSON HINE LLP**

/s/

Robert J. Feinstein (admitted pro hac vice)

Bradford J. Sandler

Paul J. Labov

Colin R. Robinson

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